

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed Emergency After Notice

Rule making related to Hoover presidential library tax credit

The Economic Development Authority hereby adopts new Chapter 43, “Hoover Presidential Library Tax Credit,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 15.106A and 2021 Iowa Acts, House File 588.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2021 Iowa Acts, House File 588.

Purpose and Summary

Pursuant to 2021 Iowa Acts, House File 588, the Authority will develop a system for authorization of tax credits and will control the distribution of tax credits for donations to the Hoover Presidential Library Foundation for its library and museum renovation project fund.

The tax credit created by House File 588 is allowed against specific taxes for tax years beginning on or after January 1, 2021, but before January 1, 2024. The aggregate amount of tax credits authorized is \$5 million.

These rules implement the legislation.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on September 22, 2021, as **ARC 5908C**. No public comments were received. One change from the Notice has been made. A reference to 2021 Iowa Acts, House File 588, has been removed from the implementation sentence of Chapter 43 since the amendments in the House File will be codified by the time this rule making becomes effective.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)“b”(1)(b), the Authority finds that the normal effective date of this rule making, 35 days after publication, should be waived and the rule making made effective on November 19, 2021, because the rule implements a new tax credit for the benefit of donors to the Hoover Presidential Library Foundation.

Adoption of Rule Making

This rule making was adopted by the Authority Board on November 19, 2021.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond that of the legislation it implements.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making became effective on November 19, 2021.

The following rule-making action is adopted:

Adopt the following **new** 261—Chapter 43:

CHAPTER 43 HOOVER PRESIDENTIAL LIBRARY TAX CREDIT

261—43.1(15E) Purpose. The purpose of the Hoover presidential library tax credit is to encourage donations to the Hoover presidential foundation for the Hoover presidential library and museum renovation project.

261—43.2(15E) Definitions.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Department*” means the Iowa department of revenue.

“*Donor*” means a person who makes an unconditional charitable donation to the Hoover presidential foundation for the Hoover presidential library and museum renovation project fund.

“*Tax credit*” means the amount a taxpayer may claim against the taxes imposed in Iowa Code chapter 422, subchapters II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329.

261—43.3(15E) Authorization of tax credits.

43.3(1) For tax years beginning on or after January 1, 2021, but before January 1, 2024, a tax credit shall be allowed against the taxes imposed in Iowa Code chapter 422, subchapters II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329, equal to 25 percent of a donor's charitable donation made on or after July 1, 2021, to the Hoover presidential foundation for the Hoover presidential library and museum renovation project fund.

43.3(2) A donor shall not claim a tax credit for a donation made during a tax year beginning before January 1, 2021, or after December 31, 2023.

43.3(3) To receive the tax credit, a donor shall file a claim with the department in accordance with any applicable administrative rules adopted by the department.

261—43.4(15E) Tax credit limitations.

43.4(1) The aggregate amount of tax credits authorized for the program shall not exceed a total of \$5 million.

43.4(2) The maximum amount of tax credits granted to any one person shall not exceed \$250,000.

43.4(3) Ten percent of the aggregate amount of tax credits authorized, or \$500,000, shall be reserved for those donations in amounts of \$30,000 or less. If any portion of the reserved tax credits has not been

distributed by September 1, 2023, the remaining reserved tax credits shall be available after September 1, 2023, to any other eligible person.

261—43.5(15E) Distribution process and review criteria.

43.5(1) The authority shall develop and make available a standardized application pertaining to the authorization and distribution of tax credits. The application shall request information to document that a qualified donation has been made, and any other information required by the authority. Qualifying donors shall be issued a tax credit certificate to be included with the donor's Iowa tax return.

43.5(2) Applications will be accepted and awarded on an ongoing basis.

43.5(3) If, before September 1, 2023, the authority receives tax credit applications in excess of \$4.5 million for donations greater than \$30,000, the authority shall establish a waitlist to receive any portion of the reserved tax credits that are not distributed by September 1, 2023. Applications on the waitlist shall be prioritized by the date the authority received the applications. If any portion of the reserved tax credits under subrule 43.4(3) becomes available after September 1, 2023, the authority shall approve the waitlisted applications and issue tax credit certificates in the order they are listed on the waitlist, up to the amount of the remaining reserved tax credits. Placement on a waitlist does not constitute a promise binding the state that persons placed on the waitlist will actually receive a tax credit in a future year. The availability of a tax credit and approval of a tax credit application in a future year is contingent upon the availability of tax credits in that particular year.

These rules are intended to implement Iowa Code section 15E.364.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/15/21.